

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED	)	
GAS ADJUSTMENT FILING OF	)	
EAST KENTUCKY UTILITIES,	)	CASE NO. 9236-D
INC.	)	

O R D E R

On September 30, 1985, the Commission issued its Order in Case No. 9236 approving certain adjustments and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 24, 1986, East Kentucky Utilities, Inc., ("East Kentucky") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective February 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) East Kentucky's notice of February 24, 1986, set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$34,192 or 22.2 cents per Dth.

(2) Kentucky West has filed an application for decreased rates to become effective February 1, 1986, with the Federal Energy Regulatory Commission.

(3) East Kentucky should report to this Commission any excess revenues collected from February 1, 1986, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers. If there are no over-collections, that should also be reported.

(4) East Kentucky's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9236 dated September 30, 1985, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1986.

(5) East Kentucky should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and East Kentucky should explain and justify them in writing.

IT IS HEREBY ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1986.

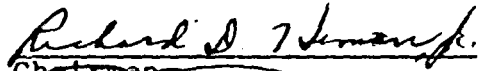

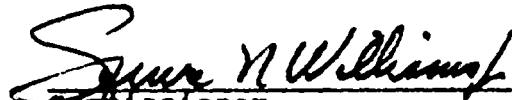
(2) Within 30 days of the date of this Order East Kentucky shall report to this Commission whether they have any excess revenues collected from February 1, 1986, to the date the proposed rates are implemented, along with a plan to refund excess revenues to its customers.

(3) Within 30 days of the date of this Order East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

(4) Within 20 days of the date of this Order East Kentucky shall supply the contract information requested herein and comply with all provisions of that request.

Done at Frankfort, Kentucky, this 7th day of March, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman  
  
Vice Chairman  
  
Commissioner

ATTEST:

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Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9236-D DATED 3/7/86

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$7.9810 Per Mcf
Over 1 Mcf	\$4.9410 Per Mcf

Minimum Bill: \$7.50 for less than 1 Mcf.

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc., shall be:

	<u>Commodity</u>
Kentucky West Virigina Gas Company	\$2.7276/Dth*
Southeastern Gas Company	\$3.50/Mcf

\*Includes \$0.0135 per Dth - Gas Research Institute Funding Charge